

***Caution:***

*This consultation draft is intended to facilitate dialogue concerning its contents. Note that it will not become law unless a bill is passed by the Legislative Assembly. Should the decision be made to introduce a bill in the Legislative Assembly, the comments received during consultation will be considered during the preparation of the bill. The content, structure, form and wording of both language versions of the consultation draft are subject to change as a result of the consultation process and as a result of review, editing and correction by the Office of Legislative Counsel.*

**PROPOSED SCHEDULE  
INSURANCE ACT – A CONSULTATION DRAFT**

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**1. Subsection 134 (3) of the Act is repealed and the following substituted:**

**Where note or cheque for premium not honoured**

(3) If a cheque, bill of exchange or promissory note is given, whether originally or by way of renewal, for the whole or part of any premium and the cheque, bill of exchange or promissory note is not honoured according to its tenor, the insurer may terminate the contract promptly by giving written notice by,

- (a) registered mail;
- (b) personal delivery;
- (c) prepaid courier, if there is a record by the person who has delivered it that the notice has been delivered; or
- (d) electronic means if the insured consents to delivery by electronic means.

**2. (1) Clause 5 (1) (a) of the Statutory Conditions set out in section 148 of the Act is repealed and the following substituted:**

- (a) by the insurer giving to the insured,
  - (i) 15 days notice of termination by registered mail, or
  - (ii) five days written notice of termination,
    - (A) personally delivered,
    - (B) delivered by prepaid courier, if there is a record by the person who delivered it that the notice has been delivered, or
    - (C) delivered by electronic means, if the insured consents to delivery by electronic means; and

**(2) Subsection 5 (5) of the Statutory Conditions set out in section 148 of the Act is repealed and the following substituted:**

(5) The 15 days mentioned in subclause (1) (a) (i) of this condition commences to run on the day following the receipt of the registered letter at the post office to which it is addressed.

(6) The five days mentioned in subclause (1) (a) (ii) of this condition commences to run on,

- (a) in respect of delivery by prepaid courier, the day following the day there is a record by the person who delivered it that the notice has been delivered; and
- (b) in respect of delivery by electronic means, the day following the day the notice is sent.

**(3) Paragraph 2 of subsection 15 (2) of the Statutory Conditions set out in section 148 of the Act is amended by striking out “sent” at the end and substituting “delivered”.**

**3. (1) Paragraph 2 of subsection 6 (2) of the Statutory Conditions set out in section 300 of the Act is amended by striking out “sent” at the end and substituting “delivered”.**

**(2) Subsection 6 (2) of the Statutory Conditions set out in section 300 of the Act is amended by adding the following paragraph:**

- 4. It may be sent by electronic means if the insured consents to delivery by electronic means.

**(3) Subsection 6 (3) of the Statutory Conditions set out in section 300 of the Act is repealed and the following substituted:**

(3) If the notice of termination is personally delivered, delivered by prepaid courier or delivered by electronic means to the insured, five days notice of termination shall be given and, if delivered by prepaid courier, the five-day period begins on the day following the day there is a record by the person who delivered it that the notice has been delivered. If the notice is delivered by electronic mean to the insured, the five-day period begins on the day following the day the notice is sent.

(4) If the notice of termination is sent by registered mail to the insured, 15 days notice of termination shall be given, and the 15-day period begins on the day the registered letter or notification of it is delivered to the insured’s address.

**4. Subclause 303 (1) (b) (ii) of the Act is amended by striking out “sent” at the end and substituting “delivered”.**

**Commencement****5. [Commencement]**